A STUDY OF THE ECONOMIC BASIS OF MINIMUM FINANCIAL SUPPORT OF PUBLIC LIBRARIES IN ILLINOS

BY

LE ROY LILLARD QUALLS

A.B., Illinois Wesleyan University, 1932
A.M., University of Illinois, 1936
B.S.(L.S.), University of Illinois, 1939

AN ABSTRACT OF A THESIS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN ECONOMICS
IN THE GRADUATE COLLEGE OF THE
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I. Introduction

Public libraries are in certain respects peculiarly American, yet they are found in most modern countries. Students of public library administration have found it difficult to define precisely what is meant by a public library. The only really essential requirement in the definition of a public library is that its use should be free to all residents.

This study is confined to the tax supported public libraries of Illinois. It is concerned with the regular annual operating income and expenditures of these libraries, not including capital expenses.

The earliest "public libraries" in Illinois were not publicly supported. Frequently they were open only to "members" or "subscribers". Legal provision for tax support of public library service was first made by the Illinois General Assembly in 1872. Cities, incorporated towns, villages, and townships were authorized to establish and maintain free public libraries and reading rooms. For nearly half a century the act of 1872 was the basis for all tax supported free library service in Illinois.

Counties were authorized in 1919 to provide public county library service. In 1943 an act was passed providing for the creation of special districts, composed of territory located in one to five counties and not already included in any existing tax supported public library system.

By 1917 there were 200 tax supported public libraries in Illinois. By 1939 this number was increased to 300; and by 1946 there were 370 in operation. Only New York and Mass-

achusetts now have a greater number of public library systems than Illinois. Existing tax supported public libraries in Illinois are distributed as follows among the various taxing units:

District libraries	1
County libraries	2
Township libraries	89
Municipal libraries	278
Total number	370

Since for nearly half a century the general library laws of the state provided for the establishment of tax supported free library service only by townships or municipalities, it is not surprising that most libraries are municipal or township activities.

Library regions as used in this study are defined by the State Library Act. The distribution of public libraries among these regions is as follows:

Region 1 (20 counties in northern Illinois)	97
Region 2 (4 counties in metropolitan Chicago)	67
Region 3 (18 counties in east central Illinois)	74
Region 4 (24 counties in west central Illinois)	65
Region 5 (19 counties in south central Illinois)	43
Region 6 (17 counties in southeastern Illinois)	24

Seventy-seven per cent of the entire population of the state is included in the area of service and support of free public libraries. The proportions of different population groups having free library service are as follows:

Persons living in municipalities over 2,500	98%
Persons living in municipalities under 2,500	36%
Persons living outside any municipality	7%

Proportions of the population served by tax supported public libraries vary from 95 per cent in Region Two to only 36 per cent in Region Six. There are thus clearly marked geographic

variations in the distribution of free library service throughout the state.

II. The Burden Of Public Library Support In Illinois

From the beginning of tax supported public library service in Illinois, the revenue source for this public function has been a levy on the assessed valuation of all taxable property in the jurisdiction supporting the library. The library levy, like most other levies, is subject to a maximum limit on the rate by statutory enactment. In 1929 the maximum library tax rate was lowered from 1.9 mills on each dollar of equalized assessed valuation for cities, incorporated towns, villages, and townships. In 1941 it was made permissible to raise the maximum library rate to not more than 2 mills on each dollar by a referendum vote.

Counties were authorized in 1919 to levy a library rate up to one and one-third mills on each dollar. This was reduced in 1927 to two-thirds mill on each dollar. In 1943 authority was given to raise the limit to 2 mills by referendum. Public library districts were limited in 1943 to 1.2 mills, unless a referendum should establish a rate not over 2 mills on each dollar.

Under the full-value program sponsored by the Butler Committee in 1945, the foregoing rates were cut in half, except that cities were not disturbed in their authority to levy up to 2 mills on each dollar, if approved by referendum.

From 1940 to 1942 the state-wide average library levy was approximately 1 mill on each dollar of assessed valuation of all property assessed for libraries. In 1943 and 1944 the average rate of levy fell to approximately .5 mill on each dollar. Since 1944 the average rate of levy has fallen still further. These declining average rates of levy reflect the rising valuations of property, even more than the actual rise in library tax income.

The per capita total operating expenditures of Illinois

public libraries in recent years have differed but little from the average for the entire country, which was $.62 in 1938-1939 and $.70 in 1944-1945. In 1946-1947 the state-wide average of operating expenditures of Illinois public libraries was $.75 per capita of the population served by libraries. In Regions Five and Six per capita operating expenditures have averaged slightly more than one-half those of the other regions.

Per capita operating expenditures reported by individual libraries in 1946-1947 varied from $3.75 to as little as $.11. Fifty-seven per cent of all established public libraries in Illinois reported per capita operating expenditures in 1946-1947 less than $1.00.

Although the cost of public library service in Illinois has recently gone past the $4,000,000 level of tax funds, the burden of public library support is small. It represents approximately 1 per cent of all general property tax extensions. General property tax extensions have become a diminishing proportion of total income payments to individuals in Illinois for the years 1940 to 1946. In 1940 they were 5.89 per cent of total income payments; in 1946, only 3.46 per cent.

Public library service is not only small in burden, it is optional with each locality. Wherever it exists, it seems to be based on the definite desire of the people for the book services rendered by public libraries. The objectives of public library service are essentially two in number—to promote enlightened citizenship and to enrich personal life.

III. Standards Of Public Library Support

Early provisions pertaining to support of public library service made no attempt to specify a minimum level of financial support. More recently the development of standards of efficiency in the administration of public services has often been associated with the development of standards of financial support. For public libraries standards of financial support

have been developed in terms of total income of the system and in terms of income per capita of the population included within the area of service.

The record of Carnegie grants to various Illinois communities during the years from 1900 to 1915 reveals no indication of a standard below which the total income of a public library system should not fall. Most of the grants required the pledge of annual support varying from $.20 to $.59 per capita. In 1921 the American Library Association adopted a statement to the effect that $1.00 per capita is a reasonable minimum annual revenue for the library in a community desiring good modern public library service.

In 1925 a librarian and a rural sociologist in Wisconsin set forth a minimum standard for public libraries calling for a minimum total income of $4,000 for service to no more than 4,000 persons. In 1933 Carl Vitz expressed the belief that the extreme minimum income for a library should be $2,000, although he added that this income would not pay for all items of expense. In the same year, a Canadian Commission of Enquiry proposed $3,000 as the minimum income for a library system.

In 1934 Helen Gordon Stewart declared that with a probable per capita support varying from $.30 to $.50, a library system should serve 40,000 to 50,000 persons and have a total income of $15,000 to $20,000 annually. In 1935 Carleton B. Joeckel defined the essentials of modern public library service and declared it unlikely that they could all be obtained for less than $25,000 annually. This minimum income statement was not related to any particular size population group to be served.

In 1943 the Committee on Post-War Planning of the American Library Association proposed the following minimum per capita standards of support in areas of 25,000 population and over:

For limited or minimum service	$1.00

For reasonably good service	1.50
For superior service	2.00

Lowell A. Martin reported in 1944 the results of a study of libraries that averaged $.75 per capita in annual income. He found that the essential elements of public library service to the purposeful reader are rarely achieved on that level of per capita income, unless the library has an income close to $35,000 annually.

Influenced largely by the rising spiral of prices in the post-war period, the American Library Association declared in 1947 that pre-war standards of total and per capita income should be increased by fifty per cent. The resulting standards of the American Library Association are as follows:

For minimum service	$1.50 per capita
For reasonably good service	2.25 per capita
For superior service	3.00 per capita
For total income	$37,500 annually

The last five of the standards discussed above differ considerably from the earlier ones, both in the financial terms of the statements and in the concepts of public library service implied. The latter five standards are reasonably consistent with each other, when examined in the light of both per capita and total income terms and when the nature of the service to be given is considered. They represent a combination of individual research and a distillation of actual experiences of many libraries. As such, they represent the best available financial measures of library service requirements.

IV. Ability To Support Public Library Service In Illinois

From one point of view, the ability of communities to support public libraries depends upon the statutory limits on tax rates, together with the level of assessed valuations. This concept may be called "statutory ability". It represents a ceiling on local expenditures for a given function, which may effectively limit local expenditures or may not. During recent

years the "statutory ability" of the state of Illinois to support public library service has increased more rapidly than have actual expenditures for public library service, and has not actually restricted public library income, so far as the state as a whole is concerned. "Statutory ability" and actual expenditures may be compared as follows:

	1939	1943	1947
Theoretical maximum revenue per capita	$ .80	$2.35	$2.66
Actual expenditures per capita of the population served	.66	.61	.75
Actual expenditures per capita of the total population	.50	.46	.58

In each of the six library regions per capita "statutory ability" has increased more rapidly than have actual expenditures. But the rates of increase have not been uniform among the regions. From 1939 to 1947 per capita "statutory ability" increased most in Region Three (259 per cent) and least in Region Four (191 per cent). Region Two makes the most extensive use of its "statutory ability"—about one-third. Regions Five and Six use the least portions of their "statutory ability"—about one-tenth. All regions have a "statutory ability" in excess of the requirements of the most recently developed minimum standards of public library support.

About one-fourth of all the counties in Illinois were unable in 1947 to meet post-war standards of minimum total revenue equal to $37,500 at $1.50 per capita. Seventy-five counties had a "statuory ability" in 1947 that met those terms. Of the 27 counties that were unable to meet that two-fold standard, 17 counties would have been able to meet the per capita minimum of $1.50, but could not possibly provide a total revenue as large as $37,500.

The great majority of townships and municipalities of Illinois are too small to have a "statutory ability" to support public libraries that comes near to meeting the recommended standards for minimum total budget for a library system.

Only 72 townships, of a total of 1,444 in the 85 counties that are under township organization, had a total population over 10,000 persons in 1940. There are only 59 municipalities having over 10,000 population. Of these most populous townships and municipalities, only a little over one-half could meet present day standards of minimum per capita and minimum total support for public library systems.

During the past forty years interest has grown in comparing the fiscal abilities of the states to support public education, and also other specific public functions. The earliest efforts to measure and compare abilities of the various states used assessable wealth as the basis of comparison. This was followed by the development of indexes based on a combination of wealth and income. Further developments involved the combination of many different economic factors into a composite index. Still another approach to the study of comparative economic ability was based on the model tax plan presented by the National Tax Association. The most recent approaches have relied almost entirely on income payments as a basis for comparing relative economic and fiscal ability.

With few exceptions, all the principal investigations of relative fiscal ability have been concerned with inter-state comparisons. A few students have attempted to compare areas as small as counties. Not until adequate statistical data are available can actual comparisons be worked out, regardless of the method to be used. Only recently have fairly reliable estimates of state income payments become available from the Department of Commerce. Two series of estimates of county incomes for Illinois are available—one from *Sales Management Magazine* annually since 1929 and one by Professor P. D. Converse for each year since 1939.

When Converse's estimates are reduced to per capita figures, marked north-to-south variations in regional average per capita income become very apparent. Regions One and Two have per capita incomes more than twice that of the lowest income region, which is region Six. The highest income

county has nearly seven times the per capita income of the lowest income county. The ratio between the highest and lowest county per capita equalized assessed valuation is over fourteen to one.

Rankings of the six library regions as to per capita income and per capita equalized assessed valuation are as follows:

Region	Income Rank	Assessed Valuation Rank
1	2	2
2	1	4
3	3	1
4	4	3
5	5	5
6	6	6

Counties that rank in the upper one-half of all counties, according to per capita income are likely to rank anywhere in the upper one-half according to per capita equalized assessed valuation. Counties ranking in the next to lowest one-quarter according to per capita income are most likely to rank in the same one-quarter according to per capita equalized assessed valuation. Counties ranking in the lowest one-quarter, according to per capita income are most likely to rank in the lowest one-quarter according to per capita equalized assessed valuation. The general picture of the theoretical ability of Illinois counties to support both private and public economic activities is one of great variation. This variation is marked, whether the criterion is equalized assessed valuation or income. Regions Five and Six exhibit much less economic and fiscal ability than the other regions in the state. As a result, desirable public functions may not be undertaken, simply because more important competing private uses of disposable income are placed ahead of them.

The same body of citizens and taxpayers supports a number of different levels of government, and also feels the pull of competing private demands upon disposable income. The

burden of support for any particular public function is interwoven with the support of other public functions. In general, as county per capita income increases, the public functions supported by the general property tax represent a declining proportion of that income. Counties with similar per capita incomes do not always spend the same proportion of those incomes on public functions. There is probably no justification for saying that any particular rate of expenditure of income on public functions represents a maximum possible rate of expenditure. If the citizens prefer to spend more on certain public functions and less on private functions, they are able to do so, so long as they feel they are getting a *quid pro quo*. A necessary prelude to the increased support of public library service is an increased preference for that service.

There still remains the question of the method of organization for the provision of public library service, granted the existence of a preference for it. As a practical matter, how can present arrangements be modified so that the support of public library service may be improved within the existing institutional framework? Can the scale of organization be modified to bring existing levels of public library support into closer accord with the present day standards of financial support?

Comparisons of the assessed valuations of municipalities, townships, and counties containing public libraries reveals that townships would generally be a more satisfactory basis of support for public libraries than would the more commonly utilized municipalities. The same tax rates that are being used to support the municipal libraries would generally bring the library increased total and per capita support.

Counties would in general be more satisfactory from the standpoint of both total and per capita support than municipalities. They would be more satisfactory than townships from the standpoint of total support. In total support, even some counties fall short of the ability to provide large enough total funds for public library service to meet present day

financial standards. The next step in advance, beyond transfer to the county basis of support, would be increased reliance on the district library law to set up *ad hoc* library districts large enough in population and resources to meet at least minimum financial standards for public libraries. The boundaries of a public library district need not conform to those of any other unit of government, and can take in as much area as five counties, if desired.

V. Conclusions

It seems clear that the great majority of all public libraries in Illinois have total incomes too small for inclusion of all the elements of modern public library service. The only possibility for most existing public libraries, as now organized, to obtain high enough total income to meet reasonable standards of service, would be much higher per capita support. This would have to be much higher than libraries now have. Several existing public libraries have a per capita support great enough to meet reasonable present day standards, provided the total income were larger.

Relatively few municipalities and townships are potentially able to provide public library support of necessary amount even at the maximum rates provided by law. Most counties could meet present day standards of public library support. Of those that could not, several could meet minimum per capita requirements that are associated with larger total library incomes.

In almost all areas of the state, existing statutory tax rate limits allow sufficient per capita library support to meet per capita standards. In many parts of the state, an area as large as a county is required to provide sufficient total revenue. In other parts, even an entire county is too small an area.

Therefore, it is the writer's opinion that the best unit of organization of public library service in Illinois is the *ad hoc* district. The flexibility of boundaries available to a public

library district would make it possible, in almost any region of the state, to include a broad enough base of support. No public library district need be organized with less than 25,000 population. None should be so organized. A library system serving less than 25,000 persons either cannot give service of the quality that citizens of today can expect, or it must receive higher than minimum per capita support. Either circumstance leads to higher cost to the taxpayer than necessary for what he gets, and represents an uneconomic use of resources.

VITA

Le Roy Lillard Qualls was born November 25, 1910, at Irving, Illinois. He attended the public schools of Irving and Witt, Illinois and the high school at Witt, Illinois, where he graduated in 1928. Enrolling in Illinois Wesleyan University in the fall of 1928, he was granted the A.B. degree in 1932. During the year 1933-1934 he was enrolled as a special student in Shurtleff College. From 1934 to 1937 he served as Instructor in Economics at Illinois Wesleyan University. In the meantime he had enrolled in the Graduate School of the University of Illinois, which granted him the A.M. degree in 1936. In the summer of 1937 he enrolled in the Library School of the University of Illinois and received the B.S.(L.S.) degree in 1939. From September, 1937, to December, 1942, he was on the staff of the University of Illinois Library. In December, 1942, he enlisted in the United States Naval Reserve and was on active duty until October, 1946. From 1946 to 1948 he has been employed as an Assistant in Economics at the University of Illinois.